

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7340**

**BILL NUMBER: HB 1378**

**NOTE PREPARED: Jan 7, 2003**

**BILL AMENDED:**

**SUBJECT:** Abandoned Buildings.

**FIRST AUTHOR:** Rep. Day

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill consists of the following provisions:

(A) This bill grants neighborhood associations standing to commence civil actions to promote compliance with ordinances when permitted by the enforcing agency. It allows the award of court costs and attorney's fees to the prevailing party for civil actions.

(B) The bill allows neighborhood associations to acquire dwellings through urban homesteading for rehabilitation and sale.

(C) The bill allows municipalities to recover costs of bringing property into compliance with ordinances.

(D) It allows a receiver in possession of property to sell the property. The bill also provides for repair alternatives for unsafe buildings in a receivership.

(E) The bill provides that an order issued by an enforcement authority under the unsafe building law concerning repair and rehabilitation of an unsafe building to bring it into compliance with certain required standards for building condition or maintenance becomes final ten days after notice is given unless a hearing is requested in writing by a person holding: (1) a fee interest; (2) life estate interest; or (3) an equitable interest of a contract purchaser in the unsafe premises.

(F) The bill exempts certain redevelopment property in blighted areas in Marion County from multiple appraisals. It also makes certain other changes.

**Effective Date:** Upon passage; July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Provision A - Court Fee Revenue:* Community organizations, which could include a citizen's group, neighborhood association, neighborhood development corporation, or similar organization, would be able to bring a civil action regarding unsafe premises in the circuit, superior, or municipal court of the county. Currently, only an executive department authorized by ordinance to administer the Unsafe Building Law may do so. If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:** *Provision C -* This provision removes the requirement that a violation of an ordinance be located outdoors and not involve a building or structure before the municipal corporation may issue a bill to the owner for expenses incurred by the municipality in bringing the property into compliance with the ordinance. A municipal corporation may be able to recoup expenditures in a more timely manner via billing the owner than would otherwise be if the expenditures were made a lien against the property.

*Provision F -* When properties in Marion County meet certain criteria, an employee of the Department of Metropolitan Development may make the appraisal on the property or an appraisal may not be required. Costs associated with obtaining independent appraisals may be saved due to this provision.

This bill also requires a registry of properties that violate a municipal ordinance be established and maintained by the chief administrative officer of the Department of Metropolitan Development or other agency authorized to administer the Unsafe Building Law. Additional administrative costs may be incurred by carrying out this provision, depending on lists municipalities may already maintain.

**Explanation of Local Revenues:** *Provision A - Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts, city and town courts.

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